

Message Text

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PAGE 01 STATE 153697
ORIGIN TRSE-00

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05
SS-15 STR-04 ITC-01 PRS-01 SP-02 FEAE-00 OMB-01
AF-10 ARA-10 EA-07 NEA-10 NSCE-00 SSO-00 USIE-00
INRE-00 /131 R

DRAFTED BY TREAS:RSELF:JH
APPROVED BY EB/OT/STA:TO'HERRON
EB/OT/STA:MCJONES
EUR/RPE:RBRESLER
EUR/NE:DGOODMAN

-----027439 011817Z /45

O 011741Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY COPENHAGEN IMMEDIATE
INFO AMEMBASSY BRUSSELS IMMEDIATE
AMEMBASSY PARIS
USMISSION GENEVA

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USEEC, USOECD, ALSO FOR USMTN

E.O. 11652: N/A

TAGS: ETRD, DE, EEC

SUBJECT: COUNTERVAILING DUTY INVESTIGATION -- BUTTER
COOKIES FROM DENMARK

REF: STATE 33373

1. THE TREASURY WILL BE ISSUING A NOTICE OF PRELIMINARY
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AFFIRMATIVE COUNTERVAILING DUTY DETERMINATION AGAINST
IMPORTS OF DANISH BUTTER COOKIES IN THE FEDERAL REGISTER
OF JULY 6, 1977. THE DANISH EMBASSY AND EC DELEGATION
WERE INFORMED AFTERNOON OF JUNE 30 AND A PRESS RELEASE
WILL BE ISSUED JULY 5. UNDER PROCEDURES OUTLINED IN REF A
THE TREASURY MUST REACH A FINAL DETERMINATION BY NO LATER
THAN DECEMBER 28, 1977.

2. TREASURY FOUND THAT EXPORT RESTITUTION PAYMENTS ON THE SUGAR, FLOUR AND EGG CONTENT OF THE FINAL PRODUCT IN ADDITION TO SUBSIDIZED BUTTER PRICES THAT COOKIE MANUFACTURERS PAY FOR PURCHASES FROM EC INTERVENTION STOCKS ARE COUNTERAVAILABLE.

3. THESE PAYMENTS CONSTITUTE SOME OF THE MORE DIRECT FORMS OF SUBSIDIES, AND IT IS UNLIKELY THAT THE DANISH

GOVERNMENT CAN CONTEST SUCCESSFULLY THE LEGAL DETERMINATION THAT THESE PROGRAMS ARE BOUNTIES OR GRANTS UNDER OUR COUNTERVAILING DUTY LAW NOTWITHSTANDING THE STRONG DISAGREEMENTS THEY MAY HAVE WITH THIS CONCEPTUALLY.

4. IT THEREFORE WOULD BE USEFUL AT THIS TIME FOR EMBOFFS TO APPROACH APPROPRIATE DANISH OFFICIALS TO DETERMINE WHETHER THE GOVERNMENT MAY BE INTERESTED IN OBTAINING A TEMPORARY WAIVER OF COUNTERVAILING DUTIES ON THESE EXPORTS TO THE U.S., WHICH TOTALLED APPROXIMATELY FIVE MILLION DOLLARS IN 1976. WAIVERS WERE GRANTED IN BOTH

THE EC CANNED HAM AND DAIRY PRODUCTS CASES THROUGH REDUCTIONS OR ELIMINATIONS IN THE RESTITUTION PAYMENTS. THE DANISH GOVERNMENT WOULD HAVE TO BE PREPARED TO MAKE SUBSTANTIAL REDUCTIONS IN THE SUBSIDY OF APPROXIMATELY LIMITED OFFICIAL USE

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TWENTY EIGHT PERCENT AD VALOREM IN ORDER TO QUALIFY FOR SUCH A WAIVER. IT SHOULD BE MADE CLEAR THAT THE WAIVER BY LAW WOULD EXPIRE IN ANY EVENT ON JANUARY 3, 1979. WE RECOGNIZE THE COMPLEXITIES IN MAKING ADJUSTMENTS TO ANY OF THE AFOREMENTIONED SUBSIDIES, PARTICULARLY IN VIEW OF THE FACT THAT THEY ARE EC PROGRAMS AND MAY REQUIRE EC ACTION. HOWEVER, TREASURY IS CONSIDERING AN EARLY FINAL DECISION IN THIS CASE, POSSIBLY IN SEPTEMBER, BECAUSE OF THE CLEAR APPLICABILITY OF THE COUNTERVAILING DUTY LAW TO THESE PROGRAMS AND THE FACT THAT ACTION HAS BEEN TAKEN PREVIOUSLY UNDER THIS LAW AGAINST THE SYSTEM OF RESTITUTION PAYMENTS. IN THESE CIRCUMSTANCES, WE WOULD APPRECIATE AN EARLY RESPONSE ON WAIVER POSSIBILITIES FROM THE DANES. CHRISTOPHER

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 01-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
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